



Georgia Clean Energy Property Tax Credit

Save energy, save money and protect the environment by using clean energy resources in your home or business. As part of the Georgia Energy Challenge, Georgia offers tax credits for certain types of energy efficient and renewable energy property as well as for the delivery of wood residuals to qualified biomass facilities. The credits will be available to taxpayers placing qualified clean energy property in service between July 1, 2008, and December 31, 2014. The program's annual cap is \$2.5 million for 2008 through 2011 and \$5 million for 2012 through 2014.

This document provides guidance, requirements, forms and other information to assist eligible taxpayers claim the Georgia Clean Energy Property Tax Credit (CEPTC). It does not provide tax advice. Please consult a tax professional for specific advice.

Installation of eligible property does not guarantee a tax credit with the state of Georgia, as funds may be exhausted at any time throughout the year. We encourage you to submit your tax credit application immediately upon project completion.

Click [here](#) for technical review forms for all technology types.

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Application Process

The Georgia Environmental Finance Authority (GEFA) and the Department of Revenue (DOR): Roles and Responsibilities

GEFA is responsible for the technical review of the applications for the CEPTC. Technical approval by GEFA does not guarantee eligibility for or receipt of a tax credit from the Department of Revenue.

DOR is responsible for assessing eligibility for and issuing a state of Georgia income tax credit. DOR will only issue tax credits to eligible entities who have received technical approval from GEFA.

Application Process

Please see below CEPTC submission process for both residential and non-residential property. GEFA does not accept hard-copy pre-applications.

Step One: Research program eligibility

Please review eligibility, criteria and other requirements associated with the CEPTC by checking the information provided on this website, Georgia Department of Revenue (DOR) regulations, and other applicable laws and regulations relevant to the project (i.e., building, environmental permits, etc.).

Step Two: Install eligible property

Complete installation of clean energy property. The clean energy property for which a tax credit application is being claimed must be placed in service prior to applying for the CEPTC.

Step Three: Submit pre-application for technical review by GEFA

GEFA encourages applicants to submit a tax credit application immediately upon project completion. Submit the pre-application for technical review online. Click [here](#) to access the form.

Step Four: Receive technical approval from GEFA

GEFA will respond to all applications within 30 business days. Upon final technical approval, GEFA will provide written confirmation that your technology has been approved. Please review and confirm that the information in the Pre-Application Confirmation is accurate and complete. Please note: GEFA's role is to confirm that the technology is approved. An approval from GEFA does not guarantee a tax credit will be received.

Step Five: Complete DOR form IT-CEP-AP

Complete the IT-CEP-AP Form, attach it to the GEFA Pre-Application Confirmation and submit both documents to the Georgia Department of Revenue (DOR). The DOR will request additional information to obtain the tax credit. Click [here](#) to access information from DOR regarding the CEPTC. You will be directed to the DOR website. Scroll down and click on the link: Clean Energy Property and Wood Residuals Tax Credit. Applicants can obtain a link to form IT-CEP-AP and information on the amount of tax credit that has been pre-approved.

Step Six: Print and mail IT-CEP-AP and GEFA technical approval to DOR.

Print and mail a copy of GEFA's technical approval form as well as the completed IT-CEP-AP and mail to the following address:

Georgia Department of Revenue
Clean Energy Property Tax Credit and Wood Residuals Tax Credit
1800 Century Boulevard
Atlanta, Georgia 30345

Step Seven: Receive approval from DOR

Within 60 days of receiving a pre-application, the DOR will review and tentatively approve the application.

Step Eight: Claim the income tax credit

Upon receiving tentative approval from DOR, the taxpayer may claim the credit on their tax return for that tax year.

Documentation Information for the Clean Energy Property Tax Credit (CEPTC):

Taxpayers are required to keep documentation concerning any credits claimed. These documents may be requested before the technical approval from GEFA. Documentation includes but is not limited to:

- Dated receipts, invoices, contracts marked paid, canceled checks, other proof of payment.
- System manuals, product information, specifications, literature, cut sheets, warranties, etc.
- Completed copy of the pre-application form submitted for GEFA's technical review.
- Any applicable federal, state or local permits and licenses.
- Other reasonably available and relevant material demonstrating CEPTC eligibility.

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Solar Hot Water – Residential and Non-Residential

Eligible Products for the CEPTC

Solar energy equipment using solar radiation as a substitute for traditional energy for water heating, as well as related devices necessary for collecting, storing, exchanging, conditioning or converting solar energy to other useful forms of energy.

Solar energy equipment for domestic water heating must be certified for performance by the Solar Rating Certification Corporation (SRCC), Florida Solar Energy Center (FSEC), or a comparable entity approved by GEFA. For solar thermal collectors, the entity must have the SRCC OG-100 rating or the FSEC GO-80

rating, or both. For solar thermal residential systems, the entity must have the SRCC OG-300 rating or the FSEC GP-5-80 rating, or both.

GEFA requires that collectors or systems that have met these certification standard(s) are eligible for the CEPTC:

- FSEC GP-7-80 (System)
- SRCC OG-400 (Pool Heating Systems)

A listing of qualified products can be found here:

Collectors

[FSEC Certified Collectors](#)

[SRCC Certified Collectors](#)

Systems

[FSEC Certified Systems](#)

[SRCC Certified Systems](#)

Definitions and Examples

Collectors vs. System

A solar hot water collector is a device that collects solar radiation and converts it to heat. A solar hot water system integrates a collector or collectors, a water storage tank, and other components such as pumps, controllers and heat exchangers into a single package system. Only those components defined in the certification standards are eligible for the CEPTC.

Water Heaters

In order for the cost of a fossil-fuel fired water heater to be eligible for the CEPTC, it must be part of a certified system. Stand-alone fossil-fuel fired (electric, natural gas, propane, etc.) water heaters are NOT eligible for the CEPTC. For example, a single tank system with electric backup is eligible if certified by SRCC or FSEC. However, a conventional water heater, even if replaced in conjunction with a solar water heating system, is NOT eligible for the CEPTC.

Solar Pool Heaters

Certified solar hot water heaters for the purposes of heating water in a swimming pool are eligible for the CEPTC.

Installers

Residential and general contractors must be [licensed according to state law](#). Georgia does not require additional certification or license to install solar thermal or hot water systems; however, consumers are encouraged to seek experienced contractors when installing clean energy property.

The state does not recommend or endorse any installer or contractor. Please visit these sites for information on seeking experienced contractors:

- [Southface Solar Road Map](#)

- [Georgia Solar Energy Association](#)
- [North American Board of Certified Energy Practitioners](#)

How much of a tax credit can be claimed for residential and nonresidential solar hot water?

The lesser of 35 percent of the cost of the clean energy property or the sum of \$2,500.00 for residential and \$100,000.00 for nonresidential per dwelling unit applies for clean energy property related to solar energy equipment for domestic water heating.

Note: These limits do NOT apply to active solar space heating or solar electricity. Please see the active solar space heating or solar electricity sections for relevant information and tax credit limits.

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Solar Electricity – Residential and Non-Residential

Eligible Products

Solar energy equipment that uses solar radiation as a substitute for traditional energy for generating electricity, as well as related devices necessary for collecting, storing, exchanging, conditioning or converting solar energy to other useful forms of energy.

Definitions and Examples

There are no specific standards or certifications related to solar electricity or solar thermal electricity products that are required to qualify for the CEPTC.

If you are installing a solar PV system as part of a larger home improvement upgrade, such as an HVAC replacement, new hot water heater, or attic fan, please note that you can only claim the solar PV tax credit on the solar PV portion of the installation. Please be sure your installer separates the equipment and labor costs of the solar PV system from any other components of the home improvement upgrade. Failure to do so may result in the denial of the tax credit.

Installers

Residential and general contractors must be [licensed according to state law](#). Georgia does not require additional certification or license to install solar thermal or hot water systems; however, consumers are encouraged to seek experienced contractors when installing clean energy property.

The state does not recommend or endorse any installer or contractor. Please visit these sites for information on seeking experienced contractors:

- [Southface Solar Road Map](#)
- [Georgia Solar Energy Association](#)
- [North American Board of Certified Energy Practitioners](#)

How much of a tax credit can be claimed for residential and nonresidential solar electricity or solar thermal electricity?

The lesser of 35 percent of the cost of the clean energy property, or the sum of \$10,500 for residential and \$500,000 for nonresidential per dwelling unit applies for clean energy property related to solar energy equipment for electricity.

Note: These limits do NOT apply to solar hot water. Please see the solar hot water section for relevant information and tax credit limits.

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Active Solar Space Heating – Residential and Nonresidential

Eligible Products

Solar energy equipment that uses solar radiation as a substitute for traditional energy for space heating, as well as related devices necessary for collecting, storing, exchanging, conditioning or converting solar energy to other useful forms of energy.

Definitions and Examples

Active solar space-heating systems consist of collectors that collect and absorb solar radiation combined with electric fans or pumps to transfer and distribute that solar heat. Active systems also generally have an energy-storage system to provide heat when the sun is not shining. The two basic types of active solar space-heating systems use either liquid or air as the heat-transfer medium in their solar energy collectors.

Liquid-based systems heat water or an antifreeze solution in a hydronic collector. Air-based systems heat air in an air collector. Air-based solar heating systems may employ an air-to-water heat exchanger to supply heat to the domestic hot water system, making the system useful in the summertime. Both of these systems collect and absorb solar radiation, then transfer the solar heat directly to the interior space or to a storage system, from which the heat is distributed. An auxiliary or backup system provides heat when storage is discharged.

There are no specific third-party standards or certifications related to active solar space heating products that are required to qualify for the CEPTC.

Installers

Residential and general contractors must be [licensed according to state law](#). Georgia does not require additional certification or license to install solar thermal or hot water systems; however, consumers are encouraged to seek experienced contractors when installing clean energy property.

The state does not recommend or endorse any installer or contractor. Please visit these sites for information on seeking experienced contractors:

- [Southface Solar Road Map](#)
- [Georgia Solar Energy Association](#)
- [North American Board of Certified Energy Practitioners](#)

How much of a tax credit can be claimed for residential and nonresidential active solar space heating?

The lesser of 35 percent of the cost of the clean energy property or the sum of \$10,500 for residential and \$500,000 for nonresidential per dwelling unit applies for clean energy property related to solar energy equipment for active solar space heating.

Note: These limits do NOT apply to solar hot water. Please see the solar hot water section for relevant information and tax credit limits.

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Wind – Residential and Nonresidential

Eligible Products

Wind energy equipment required to capture and convert wind energy into electricity or mechanical power, as well as related devices necessary for converting, conditioning or storing the electricity produced by wind equipment.

Definitions and Examples

There are no specific standards or certifications related to wind energy products that are required to qualify for the CEPTC.

Installers

Residential and general contractors must be [licensed according to state law](#). Georgia does not require additional certification or license to install wind energy equipment; however, consumers are encouraged to seek experienced contractors when installing clean energy property.

The state does not recommend or endorse any installer or contractor. Please visit these sites for information on seeking experienced contractors:

- [American Wind Energy Association](#)
- [Georgia Wind Working Group](#)

Additionally, wind energy systems may require local permits. Please contact your local jurisdiction for information about zoning, permitting and other related issues.

How much of a tax credit can be claimed for residential and nonresidential wind energy?

The cost of the clean energy property (the wind equipment) multiplied by 35 percent for residential and the maximum allowable credit is \$500,000 per installation for nonresidential clean energy property related to wind energy equipment

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Geothermal Heat Pumps – Residential and Nonresidential

Eligible Products

Any ENERGY STAR-qualified geothermal heat pump is eligible for the CEPTC. Please visit the ENERGY STAR website for a [complete system list](#).

Definitions and Examples

Heat Pumps vs. Electricity Generation

Geothermal systems that produce electricity are not eligible for the CEPTC.

Installers

Residential and general contractors must be [licensed according to state law](#). Georgia does not require additional certification or license to install geothermal heat pumps; however, consumers are encouraged to seek experienced contractors when installing clean energy property.

The state does not recommend or endorse any installer or contractor. Please visit this site for information on seeking experienced contractors:

- [Air Conditioning Contractors of America](#)

Additionally, the [Georgia Energy Code](#) requires that all “heating and cooling equipment shall be sized based on building loads calculated in accordance with ACCA Manual J or other approved heating and cooling calculation methods.” Simply replacing an old system with a new system of the same size is not adequate – a calculation must be performed and retained with other records.

Supplemental technical review documentation required

As part of GEFA's technical review, applicants must submit documentation from manufacturer validating energy performance of the installed system as compared with a base model. This information should be provided by the installer to the applicant. The applicant will need to upload this documentation to the application form in order to qualify for the tax credit.

How much of a tax credit can be claimed for residential and nonresidential geothermal heat pumps?

The lesser of 35 percent of the cost of the clean energy property, or the sum of \$2,000 for residential and \$100,000 or nonresidential per dwelling unit applies for clean energy property related to geothermal heat pumps.

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Biomass Gasification and Pyrolysis – Nonresidential Only

Eligible Products

In order to be eligible for the biomass gasification and pyrolysis equipment tax credit, the facility must meet these criteria:

The facility must be a “Qualified Facility,” according to Federal Energy Regulatory Commission (FERC) guidelines. Please visit the [FERC website](#) for additional information:

The applicant will submit a copy of the paperwork provided by FERC for the year in which the tax credit is being issued.

The facility must sell at least 50 percent of the total energy generated plus one kilowatt back to the grid.

Definitions and Examples

Biomass equipment to convert wood residuals into electricity through “gasification” and “pyrolysis” is limited by definition to the actual containment vessel in which the wood is heated. Appurtenance to the containment vessel such as burners, hoppers, scales, conveyors, augers, electrostatic precipitators, ash handling equipment and monitors are not considered eligible.

How much of a tax credit can be claimed for biomass gasification and pyrolysis?

The lesser of 35 percent or the sum of \$500,000 per installation applies for clean energy property related to biomass gasification or pyrolysis.

Note: These limits do NOT apply to wood residuals delivered to a renewable biomass qualified facility. Please see the wood residuals section for relevant information and tax credit limits.

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Energy-Efficient Lighting – Nonresidential Only

Eligible Products

A 'lighting retrofit project' is a lighting retrofit system that employs dual switching (ability to switch roughly half the lights off and still have fairly uniform light distribution), delamping, daylighting, relamping, or other controls or processes that reduce annual energy and power consumption by 30 percent compared to the American Society of Heating, Refrigerating, and Air Conditioning Engineers 2004 standard (ASHRAE 90.1.2004).

Guidance

Please review the [Energy Savings Modeling and Inspection Guidance for the CEPTC](#) for information on requirements for the lighting retrofit tax credit.

Installers

Residential and general contractors must be [licensed according to state law](#). The state does require additional certification or license to install geothermal heat pump systems; however, consumers are encouraged to seek experienced contractors when installing clean energy property.

The state does not recommend or endorse any installer or contractor. Please visit these sites for information on seeking experienced contractors:

- [United States Green Building Council](#)
- [American Society of Heating, Refrigeration, and Air-Conditioning Engineers](#)
- [Association of Energy Engineers](#)

Supplemental technical review documentation required

As part of GEFA's technical review, applicants must submit documentation from [ComCheck](#) validating that the lighting retrofit meets the energy code performance requirements of this program. This information should be provided by the installer to the applicant. The form must be signed by a licensed engineer. The applicant will need to upload this documentation to the application form.

How much of a tax credit can be claimed for nonresidential lighting retrofit projects?

The lesser of 35 percent of the cost of the lighting retrofit project property, or \$0.60 per square foot of the area of the building affected by the lighting retrofit project or the sum of \$100,000 per installation applies for clean energy property related to lighting retrofit projects.

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Energy-Efficient Buildings – Nonresidential Only

Eligible Products

An 'energy-efficient building' is for other than single-family residential property new or retrofitted buildings that are designed, constructed and certified to exceed the standards set forth in the American Society of Heating, Refrigerating, and Air Conditioning Engineers 2004 standard (ASHRAE 90.1.2004) by 30 percent.

Guidance

Please review the [Energy Savings Modeling and Inspection Guidance for the CEPTC](#) for information on requirements for the energy efficient buildings tax credit.

Installers

Residential and general contractors must be [licensed according to state law](#). The state does require additional certification or license to install geothermal heat pump systems; however, consumers are encouraged to seek experienced contractors when installing clean energy property.

The state does not recommend or endorse any installer or contractor. Please visit these sites for information on seeking experienced contractors:

- [United States Green Building Council](#)
- [American Society of Heating, Refrigeration, and Air-Conditioning Engineers](#)
- [Association of Energy Engineers](#)

How much of a tax credit can be claimed for nonresidential energy efficient buildings?

The lesser of 35 percent of the cost of the energy efficient building property, or \$1.80 per square foot of the area of the building affected by the energy efficiency project or the sum of \$100,000 per installation applies for clean energy property related to energy efficient buildings.

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The Wood Residuals Tax Credit

The Georgia Clean Energy Property and Wood Residuals Tax Credit provides a tax credit for the delivery of wood residuals to renewable biomass qualified facilities.

NOTE: This tax credit is different than the tax credit for "biomass equipment to convert wood residuals into electricity through gasification and pyrolysis." Visit the nonresidential section for more information on biomass equipment.

Definitions and Examples:

A 'renewable biomass qualified facility' is a renewable biomass qualified facility as defined by the Federal Energy Regulatory Commission (FERC). The facility meets the open loop biomass standards promulgated pursuant to Section 45 of the Internal Revenue Code.

'Wood residuals' are wood residuals that include land-clearing residue, urban wood residue and pellets, and do not include wood from any national forest in the U.S.

The Georgia Forestry Commission (GFC) provides additional clarification:

- The GFC considers "land-clearing residues" to include: logging residue, portions of other low quality trees removed from lands, and stumps.
- The GFC considers urban wood residue to include: tree trimmings; wood manufacturing residues; and construction and demolition wood residues that contain no hazardous coatings, chemically treated wood, or other non-wood materials.
- The GFC considers "pellets" to include only pellets made from wood residues.
- The GFC also considers wood residuals to include only material that a permitted qualifying facility can utilize.

In order for a supplier to be eligible for the wood residuals tax credit, the facility where the wood residuals are delivered must meet three conditions:

- A facility must first meet the requirements for qualifying facility (QF) status under the Public Utilities Regulatory Policies Act of 1978. The facility must seek (QF) status from the Federal Energy Regulatory Commission (FERC) - state agencies are not able to assist facilities with this certification. Visit [FERC](#) for additional information on this process and the requirements.
- A qualifying facility must adhere to the definitions of "open-loop biomass" found in the Internal Revenue Code. The specific reference is Title 26, Subtitle A - Income Taxes, Chapter 1 - Normal Taxes and Surtaxes, Subchapter A - Determination of Tax Liability, Part IV - Credits Against Tax, Subpart D - Business Related Credits, Section 45 - Electricity Produced From Certain Renewable Resources. Potential applicants may also find this additional guidance useful.
- The renewable biomass qualifying facility must utilize the wood residuals for the purpose of providing bioelectric power to a third party.

Renewable biomass qualified facilities located in Georgia:

There are currently no known renewable biomass qualifying facilities located in Georgia. If your facility is or is believed to be a renewable biomass qualifying facility based on the definitions provided above and in O.C.G.A. 48-7-29.17, please click [here](#) to contact GEFA.

Tax Credit Value for Wood Residuals:

The GFC is currently determining the value of the tax credits for transporting or diverting wood residuals as required by O.C.G.A. 48-7-29.14.

How to Claim the Wood Residuals Tax Credit:

- Wood residue suppliers must contact a renewable biomass qualified facility.
- If the qualified facility does not already have a voucher provided from the GFC, it should request one.
- The wood residue supplier must complete delivery of eligible wood residuals to the qualified facility.

- Facility remits vouchers to wood residue suppliers after completing all items in yellow. Please remit copies of the scale tickets with the completed voucher.
- Wood residue suppliers complete all items in orange and send the voucher to the GFC via email for certification. Wood residue suppliers must keep scale tickets on file.
- GFC checks voucher, provides certification signature and date and returns to wood residue supplier via USPS mail.
- Wood residue supplier submits certified voucher attached to DOR Form IT-WR-AP to Georgia Department of Revenue via USPS mail at the address below.
- Within 60 days of receiving an application, the DOR will review and tentatively approve the application stating the value of credits approved. Upon receiving tentative approval, the taxpayer may claim the credit on his/her tax return for that tax year.

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Contact Information

Should you have questions for the Georgia Forestry Commission (GFC), contact Nathan McClure at 478-951-4548

Should you have questions, regarding the pre-approval of the credit or technical questions, click [here](#) to contact DOR.

For more information about GEFA's technical review of the CEPTC, please contact [Tracy Williams](#).

Georgia Department of Revenue

Clean Energy Property Tax Credit and Wood Residuals Tax Credit
1800 Century Boulevard
Atlanta, Georgia 30345

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